

The Unorganised Face of Toy Manufacturers in the Indian Context

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ABSTRACT

For any economy, the unorganised sector plays a very significant role as it provides a livelihood to a vast number of people. According to the 2011-12 figures of the National Sample Survey Office (NSSO), out of 47.41 crores employed workforce in the country, 39.14 crore workforce which is (82.6 %) comes from the unorganised sector. Many types of small and medium businesses are included in the unorganised sector, these businesses are operated in a decentralized manner. Employment in this sector is not fixed and the entrepreneurs of this unorganised sector face various types of problems and uncertainties. This paper is an attempt to study about the Indian Toy manufacturers and an attempt will be made to find out the current scenario of the Indian Toy Industry. This research paper aims to find out the role and specialty of the unorganised Toy manufacturers in India. Also, an attempt is made in this paper to understand the potential opportunities for Indian Toy manufacturers in the domestic and global trade of Toys by analyzing the impact of government policies on the development of this industry.

KEYWORDS: *unorganised sector; toy industry; self-reliance; exports; imports; cluster industries; toyconomy*

INTRODUCTION

Toy is a word that we are all familiar with. Toys are such articles that have been used by people of all ages for a variety of reasons, including children's cognitive and logical development and additionally for entertainment, relaxation, etc. For example, the abacus is used to teach children Basic mathematical operations like addition, and subtraction. Montessori box for creativity etc. If we look at the ancient Indian scenario, then we will get to see different types of Toys from ancient times to the present, for example - lattu, carrom-board, snake-ladder, ludo, Channapatna Toys etc. With the passage of time, Toys have also changed their form, as in today's time, if seen in the Toy market, then we will get to see thousands of digital and manual types of Toys. Some famous examples of these Toys are Doraemon, Chhota Bheem, Pokemon, Motu-Patlu, Barbie Doll, mini electric cars, digital cycles, etc. Some Indian traditional Toys are also available in the market like Channapatna, Kondapalli Toys, etc.,

Achieving demographic dividend from India's large population is a challenge as well as an opportunity. If

we look at the global Toy Industry market, then India has only a 0.5 percent share of the global Toy market. "India imported 86 percent of its required Toy supply from China between 2016 and 2020, mainly plastic and electric Toys. (Agarwal, 2022)" and pay huge forex for these imports. India has an estimated market of Toys worth US\$ 1.5 billion (in 2022). Data from various sources depict that the import of Toys in India is mainly coming from China. Focusing on this topic, our Prime Minister Shri Narendra Modi ji in a recent Toycathon-2021 said that we should emphasize Vocal for Local and make efforts for the development of the Indian Toys and Gaming Industry.

In India, Toys are manufactured by both organised and unorganised sectors. As per an online article on business line (Narayanan, 2022), the Toy Association of India data reveals that there are 4000 units of Toy producers in India, out of which only 3 percent units are large players, of the remaining 97 percent, 75 percent share is held by micro units and 22 percent share of Small and Medium Enterprises.

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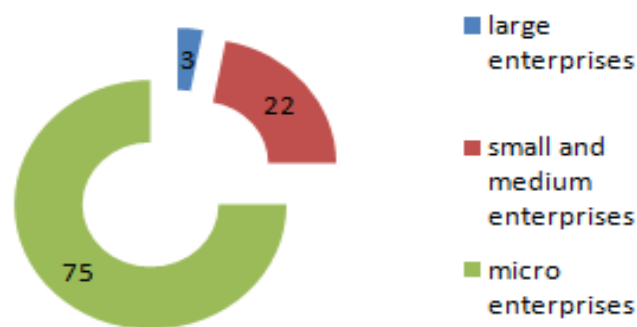


Figure 1: Pie chart showing percentage of Toy manufactures in India

In India, the major Toy manufacturer in the organised sector is Funschool, Hotwheels, Fisher Price, Lego, etc. These companies produce Toys according to BIS standards, and the high quality of their products has increased the demand for these Toys in the domestic market and abroad. In recent times, these companies are working to bring their products to consumers with the help of E-Commerce.

A major part of the Indian Toy Industry belongs to the unorganised sector, where the employment conditions are not fixed, and situated in scattered locations. Various types of small-medium and micro businesses come in this unorganised sector. For example, the craftsmen who make the pottery lamps and pots around us come from the unorganised sector. The peculiarity of this sector is that the Toys are unique in different states and influenced by cultural values.

For example, a traditional festival called “Pola” celebrated in the state of Chhattisgarh, is related to agriculture. Earthen bulls are worshiped in this festival. Whenever the Pola festival is about to come in Chhattisgarh, a large number of bulls made of clay are sold on the roadside in this area and the potters who make these bulls get employment. Like Chhattisgarh, Traditional Toys can also be found in different states. For example, Kondapalli Toys in Andhra Pradesh, Asharikandi terracotta Toys in the Dhubri district of Assam, etc. These Toy makers are so skilled at making Toys that they bring the very best in their craft.

The Toy manufacturers in the unorganised sector create and provide employment opportunities to many people. Toy manufacturers belonging to These unorganised sectors face various problems due to the non-availability of proper technical resources, expertise, large capital, an adequate market, and convenient product distribution channels. These Toy producers also do not have advance knowledge of proper packaging, branding, and advertising, due to which their customer reach is less and their products do not get an adequate price. This paper aims to understand the problems, opportunities, and current

status of unorganised Toy manufacturers in the Indian context. An attempt will also be made to know about the various government policies for the empowerment of this sector.

Objectives

- To study about the Indian Toy Industry.
- To study some of the unorganised manufacturers (region-wise) in the Indian Toy industry.
- To find out the opportunities and problems concerning the Toy producers of India.
- To understand the importance of the Toy Industry in the direction of self-reliant India.

Literature review

- (Council, 2017), It has been mentioned in this report that the Toys are the brand ambassadors reflecting the Indian culture, in the last few decades, the Indian Toy Industry has seen many changes because of innovation, production of attractive products, etc. Regarding the importance of the Toys Industry, it has been mentioned in the report that this Industry is mainly labor intensive, and nearly about 3 million people get employment through this Industry, out of which 70 percent is female labor. In the report, a detailed description has been given regarding the Industry of Toys and various dimensions related to this Industry. It has been written that about 66 percent of the Toys Industry is mainly unorganised in India and most of the Production work is done by MSME units. The article also provides information on the import-export statistics related to the Indian toy industry during the past several years and discusses Internet distribution channels with the progress of the toy industry.
- (Mehrishi, 2020) In this online article titled “*Why Trashing the Toxic ‘Made in China’ Toys Should Not Have Waited for the ‘Boycott China’ Call,*” the author while focusing on the Toys of China, has written that the Toys come from China are made of harmful substances are adversely affecting the health of children. The Indian handicraft industry is also affected by low-priced Chinese Toys in the Indian market. The article has also been mentioning that Chinese Toys were found to be non-standard in Indian testing centers, and activities like misbranding are used by China to sell their Toys in the Indian market.
- (Yadav & Tripathi, 2022), In this article, the authors have expressed their views on the relationship of the Indian Toys Industry with self-reliant India. The article discussed various

dimensions related to the Toy Industry i.e. what are the various drivers of the Indian Toy market, what are the main segments of the Toy Industry in India, which are the major Toy companies present in India. etc. Along with this, the authors have also described the adverse impact of COVID on this Industry and mention the various challenges faced by this Industry like lack of advanced technology, low capital, lack of proper infrastructure, etc.

- (Saxena, 2022) In this article, the author has written that the export of Indian Toys Industry has increased in recent years and the demand for Toys from India has increased mainly in America, Bhutan, UAE, Spain, and European countries. The author has also stated that by the year 2021, China's Toy Industry has a monopoly in the world market and China has occupied an 80 percent share of the global market. Along with this, it has also been observed in the paper that the price of Indian Toys is almost equal to Chinese Toys, But Indian Toys are better than Chinese Toys. Further, the author mentions that many commendable works have been done by the government for the development of this Industry and the formation of Toy clusters, such as providing land for this Industry and setting up clusters in many states. Also, the article has described the size and compound annual growth rate (CAGR) of the Indian Toy market.

RESEARCH METHODOLOGY

This research article is a Descriptive & Explorative study. Data has been collected from secondary sources for the preparation of the article. Various types of online and offline available research papers, newspapers, journals, articles, government, and private publications, annual reports of Toy companies, Data released by various Data analytics companies, etc. have been used to obtain Secondary data.

INDIAN TOY INDUSTRY

The Indian Toy industry comprises both organised & unorganised Toy manufacturers. As per (Council, 2017), “Funskool is the largest Toy manufacturer in India with a (30 percent share), followed by Funskool, Mettel with (20 percent share), Hasbro (9

percent share), Ligon (4 percent share), Bandai (4 percent share), Leap Frog (3 percent share), and other manufacturers whose combined share is around (30 percent).” These companies sell their products in the domestic market & export as well. Besides the organised Toy Industry, Unorganised Toy manufacturers also play a major role in the Indian Toy Industry and are present in more numbers (units) than the organised sector.

Until recently, India used to import a major chunk of its domestic Toy requirements, as a result of which the trade balance of the country was adversely affected. Indian Toy producers also face hurdles in competing with imported products in the domestic as well as global market. China is the biggest exporter of Toys in the global market in the current scenario. As per (Briefs, 2022), India used to import about 70 percent of its Toys from China alone. Although a huge volume of Chinese Toys is imported in India, it has been reported that these imported Toys were not found to be of good quality during laboratory testing. as per the article of (The Hindustan Times, 2019) “Nearly 67 percent of imported Toys have failed the testing survey of the Quality Council of India (QCI). According to the survey report, 66.90 percent of imported Toys failed the test, and only 33.10 percent passed all the tests. The testing was conducted by the QCI on Toys available in the markets of Delhi and NCR.” Apart from the quality issues, the low price of imported Toys is also one factor limiting the market for Indian Toy manufacturers. For example, we can see the lampshades sold during the Diwali festival. Until a few years ago, Chinese Light Jhalars were widely consumed in the Indian market because the price of these Light Jhalars was less than the Indian Light Jhalars.

Many commendable steps have been taken by the Government of India for the protection and empowerment of the Indian Toys Industry. To name a few: -adherence to BIS standards, P.L.I (Production Link Incentive) scheme for Toy producers in the country, increase in customs duty of imports, etc. For the development of the Indian Toys Industry, the government has launched the Make in India initiative along with the creation of Toy manufacturing clusters.

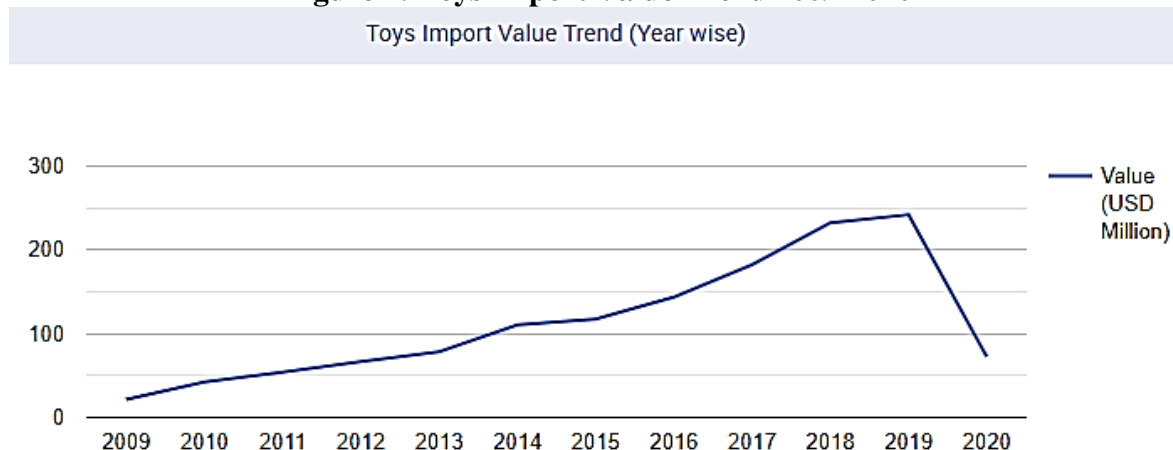
Figure 2: Toys Import Value Trend 2009-2020

Diagram credit - (connect2india, n.d.)

As per the article (Gautam, 2022), the Government of India has decided to invest Rs.3500 crores in the Indian Toys Industry to protect it from imported Chinese unsafe Toys. Due to the efforts of government towards the empowerment of Indian Toy manufacturers, there has been an unprecedented decrease in the import of Toys in the country and the export of our indigenous Toys has increased positively. It is recorded that compared to the financial year 2019, there has been a decrease of 70 percent in the import of Toys in the financial year 2022. The Indian Toy Industry is moving forward on the path of development comprising both organised and unorganised producers. According to (Wire, 2022), the Indian Toy market is estimated at US\$ 1.35 billion in 2021, which is expected to reach US\$ 2.7 billion by 2027 at a CAGR of 12.6 percent.

THE UNORGANISED INDIAN TOY INDUSTRY

As mentioned earlier, a major part of the Indian Toy Industry belongs to the unorganised sector, which includes many small and medium businesses. Innovation, advanced technology and machines, e-commerce is contributing to the development of the Toy Industry. There are big companies like Funskool India, Lego and Mattel present in the Indian market, which systematically and conveniently sell their products to consumers through their websites and other means.

On the other hand, the unorganised Toy Industry is limited to a particular area due to inadequate technology, resources, and distribution channels. It is also seen that, despite producing good-quality products, Toy manufacturers in the unorganised sector do not get a fair price for their products. The main reason for not getting an adequate price is that these producers do not have advanced knowledge of marketing, branding, proper packaging, and advertisement of their products. Along with this, these producers also hesitate to participate in the growing e-business; the main reason behind this is a lack of

understanding of the e-commerce system and not being able to use digital payment systems, etc.

FEW UNORGANISED TOY MANUFACTURERS IN INDIA (REGION-WISE):

- Channapatna Toys, Karnataka –

Figure 3: Channapatna Toys

Picture credit - (Srinivasan, 2021)

Channapatna Toys are mainly made of wood. It is produced in Channapatna city of Karnataka state. These Toys have also got Geographical Identification Tag in 2005. According to (Srinivasan, 2021), this Channapatna city is also known as the city of Toys. About 35 percent of the population in this city is directly or indirectly engaged in this Toy production. At present, e-commerce is also being used to market these Toys and various websites have also been used for this. i.e., Toysofcpt.com, amazon, etc.

- Thanjavur Toys, Tamilnadu-

Figure 4: Thanjavur Toys

Picture credit - (Bhattacharya, 2013)

Thanjavur Toys are related to Thanjavur city of Tamil Nadu. These Toys are belonging to the traditional Toys category and these Handcrafted Toys are made from wood pulp, terracotta clay, etc. Thanjavur Toys got the Geographical Identification Tag in 2008. Thanjavur dolls and other Toys are being sold through various online mediums. As per the article of (The Hindu, 2022), “Thanjavur railway station in Tiruchi division has been selected under the scheme One District One Product announced in the Union Budget 2022-2023”, under this scheme, railways will provide kiosks for Thanjavur Toys, paintings, etc. for the promotion of these local products at Thanjavur railway station.

➤ **Natungram Dolls, Kolkata –**

Figure 5: Natungram Toys



Picture credit - (Awasthi, 2016)

In the Natungram area of Bardhaman district of Kolkata, West Bengal, handmade Toys are popular and known as Natungram Toys. Among Natungram Toys, wooden owls and Rashiputul are prominent. These Toys are handmade and made of wood. Natungram Toy craftsmen do the finishing work of these products very efficiently. These Toys also have religious connections. For example, the owl is considered the vehicle of the goddess Lakshmi.

➤ **Dolls of Vilachery, Madurai (Tamilnadu) –**

Figure 6: Dolls of Vilachery



Picture credit - (Sharath, n.d.)

Vilachery is a small pottery village near Madurai, Tamil Nadu, home to over 200 families, and nearly all households in this village are directly or indirectly associated with the Vilachery Dolls.

Vilachery Dolls are very famous in the surrounding areas. These dolls are made with the help of clay and sand. Some of the famous products of Vilachery include the handcrafted statue of Lord Ganesha, Goddess Lakshmi, etc.

➤ **Asharikandi Terracotta Toys, Assam –**

Figure 7: Asharikandi Terracotta Toys



Picture credit - (Talukdar, 2015)

Asharikandi Toys belongs to Asharikandi village in the Dhubri district of Assam. Asharikandi Toys are made from a mixture of clay and sand. Asharikandi village is famous for terracotta. In this village, many types of products are made from terracotta, for example, kitchen utensils, worship utensils, Toys, etc. One of the prominent Asharikandi products is Hatima Putul (mother with elephant-like ears and a baby on her lap). At present, terracotta Toys are being sold through online mediums as well.

According to an article (Talukdar, 2015), Asharikandi is a place situated 2500 kilometres to the east of the Harappa site. In this place, the Harappan terracotta culture is flourishing through the medium of terracotta Toys. This is a unique art and more than 200 families are engaged in this craft work. In Dhubri, a study titled “Economic Research on Terracotta Warriors, Tourism and Trade.” was conducted by a non-governmental organization “North East Craft and Rural Development Organization (NECARD), in which it was reported that the annual turnover of Asharikandi terracotta and pottery business is estimated at Rs.12 crores, in this study 345 artisan families of Asharikandi Gram Panchayat were included. Asharikandi Gram Panchayat is one of the very few large clusters in India. In Asharikandi, more than 2000 families are directly and indirectly related to this terracotta business. Per year earnings of the families in this area varies between 60,000-2,50,000 (per year). In the conclusion of this study, it was told that despite many obstacles the artisans here have paved the way for their progress.

Mainly Toy producers in India are located in the form of clusters in Maharashtra, Karnataka, Tamil Nadu, and central Indian states. If we look a few years back, it appears that the Toy Industry was not in such a good condition in our country, because a huge quantity of Toys (approx. 80 %) has been imported to meet the domestic demand and for this huge foreign exchange had to be paid. Even during the Covid-period, MSMEs were adversely affected because of numerous negative situations, i.e., their market was being decimated, the functioning of the supply chain was adversely affected as well as numerous negative events that adversely happened. Due to these factors, many of MSMEs had to shut down their business.

SOME ASSOCIATIONS RELATED TO THE INDIAN TOY INDUSTRY

➤ **Toy Association of India –**

Established in 1995, this association mainly aims to bring together Toy producers, sellers, and consumers so that the business relationship grows well. Apart from this, fairs are organised by this organization at national and international levels. This organization does the work of placing the problems and various needs of the Toy producers before the government. Guiding Toy manufacturers for innovation and new technology is also promoted by this association. Fairs are organized by this organization in different places of the country, for example, Gujarat Toy Expo in Ahmedabad Gujarat on 6 and 7 March 2023, and 14th Toy BIZ International 2023 is proposed to be organized in Pragati Maidan, Delhi on 8-11 July 2023.

➤ **The All-India Toy Manufacturing Association, Mumbai –**

Established in 1976, the objective of this organization is to upgrade the Indian Toy Industry and guide Toy manufacturers to make proper quality Toy products as per international standards. This organization consults with various government bodies such as the Bureau of Indian Standards, The National Council of Educational Research and Training, etc. For the development of the Toy Industry. The goal of this organization is to bring all the Toy producers together and create a platform through which all possible help can be given to this Industry and this Industry can be developed rapidly.

According to the website of this organization (TAITMA, n.d.), their achievements are as follows-

- The organization keeps the country's Toy industries informed about the latest developments in the world's Toy industry through various magazines and newspapers.

- Through this association, the work of keeping the problems faced by the Toys industry in front of the government is done.
- Through various Toy exhibitions, this organization works to bring together manufacturers and sellers of Toys at the All-India level, so that meaningful relations can be established between them.
- The annual Toy award is given to Toy producers of different categories so that the Toy producers can be made aware of the Toy creation and quality.
- This organization also plans to work with the government, IITs, and the National Institute of Design about the design of Toys, so that technical assistance can be provided to Indian Toy producers in relation to new designs.
- To increase awareness of Toys, the association plans to celebrate "Toy Day" in the future.

OPPORTUNITIES FOR INDIAN TOY PRODUCERS

India's economy is currently the fifth largest economy in the world, and according to a recent research report (Ecowrap) of SBI, it can become the third largest economy in the world by the year 2029 at the same growth rate. Behind the pace of the economy, every Industry has its contribution. With the development of Industries, there are many benefits to society. On the one hand, employment is generated as well as on the other hand the standard of living of the people has also become better. The Toy Industry in India is also one such Industry that has good potential for growth. India currently holds only a 0.5 percent stake in the global Toy market. Many reasons promote the growth of this sector for example The labor force is dominant and can do production at a reasonable rate in India. Also, India's big market can generate sufficient demand for this Industry. A recent report from the Ministry of Commerce and Industry shows that despite the pandemic, the Indian Toy Industry exported Toys worth \$326 million in the financial year 2021-22, which is 61 percent more than in the financial year 2018-19. The Toy Industry is exporting in large quantities and the import of Toys in the country in the financial year 2021-22 has also decreased by 70 percent as compared to the financial year 2018-19. While imports of the Toy have decreased and exports have increased, it is expected that this Industry will grow rapidly in the future also. Fast-growing India's Toy Industry is moving towards exporting its products to the global market. According to a study by (Imarc, n.d.) "the Indian Toy market was worth USD 1.35 billion in 2021, which is

projected to grow to USD 2.73 billion by 2027 at a compound annual rate of growth of about 12.6 percent.” The demand for Indian Toy products has increased rapidly in recent years and Indian-made Toys are being preferred and consumed by Indian markets as well. With the availability of Government incentives and infrastructure, the Indian Toy Industry is expected to grow in the future.

Development prospects and Unorganised Toy manufacturers

The Indian Toy market is a huge market where both branded and non-branded Toys are available. Toys of different prices are available in the market for every age group. Branded Toys such as Toys of Funskool, Metal, and Lego companies are more expensive than non-branded Toys because of their quality and branding.

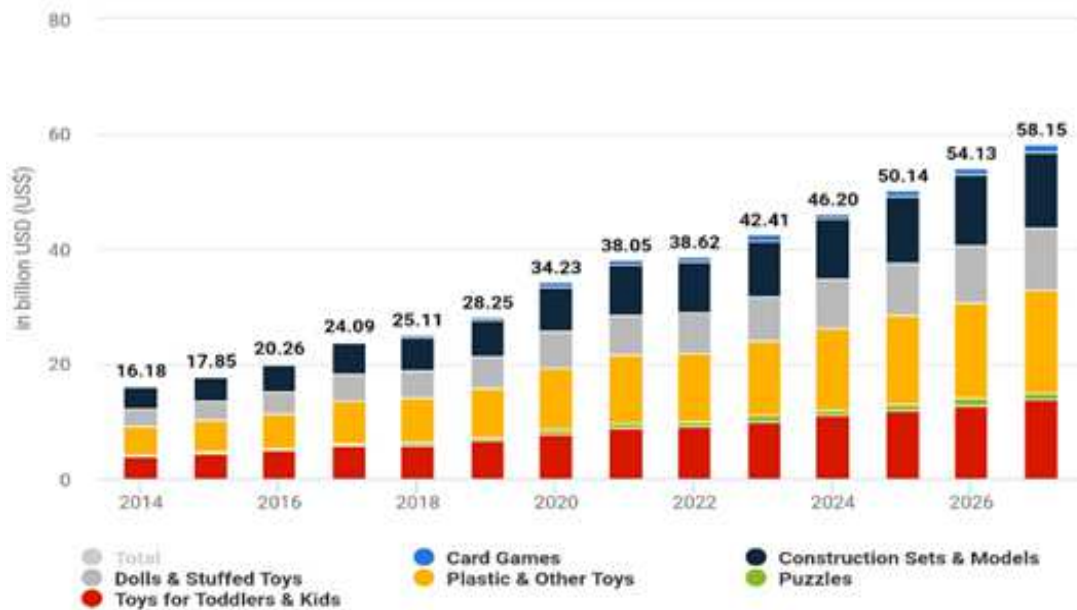
Unbranded Toys refer to such Toys which are sold without any brand and logo. Unbranded Toys are low priced than branded Toys. The availability of unbranded Toys in the Indian market is more than the branded ones because these unbranded Toys are more consumed in the market due to their low prices and easy availability in different varieties according to the local culture. It is generally observed that unbranded Toys are mainly produced by Toy producers in the unorganised sector. Due to lack of branding, advertising, proper labelling, and packaging, the Toy products of these producers do not reach the mass market. Along with this, it is also seen that despite the good quality of many unbranded Toys, their manufacturers do not get the proper price because they do not have enough knowledge of marketing. One of the main problems of unorganised Toy producers is also that due to the non-availability of advanced technology and machines their cost of production increases, but in the competitive market the price of their toys does not increase sufficiently, as a result, they have to work with low-profit margins or even Breakeven point.

For the development of unorganised Toy producers, it is a need that government and private institutions should try to provide training on technical assistance, branding, packaging, and marketing to these producers. There is also a need to assist these producers to ensure their participation in e-commerce by training them about the modus-operandi of e-markets. There is some Toy manufacturer in India who have been doing their production work for many

generations, along with organizing training camps to enhance the skills of such manufacturers, there is also a need to establish training academies for the promotion of these arts so that their art can be taken to other places of the country.

Following are some of the reasons for the future possibilities of the success of the Indian Toy Industry.

- **Government support for Toy Industry** - The government has raised the basic customs duty on imported foreign Toys from 20 percent to 60 percent, along with this various Toy fairs are also being organised for innovation in the Toy Industry so that the Indian Toy Industry can be strengthened and foreign dependence on domestic demand of Toys can be reduced.
- **Huge domestic market** - India, the world's second-largest populous country, is a huge market for Toys. The Indian Toy market is valued at US\$ 1.35 billion in 2021 and is expected to be valued at US\$ 2.73 billion by 2027, exhibiting a CAGR of 12.6%. The Indian market provides a sufficient platform to the country's Toy producers, these markets give access to the consumption of more than 140 crores of customers.
- **Availability of E-Commerce and Digital Payments Ecosystem** - The Internet revolution in India has made E-Commerce and Digital payments accessible everywhere. Various E-Commerce and Digital payment systems are being used by sellers in the Toy sector. Funskool and Mattel are doing their business with great operating websites. These online facilities are working to provide Indian Toy producers access to a huge market.
- **Production Efficiency** - The cost of production in India is available at a reasonable rate, as well as the availability of labor in India is also in sufficient quantity. If the production of Toys is done efficiently in India, then Indian Toys can be made available at a reasonable rate in the country's market as well as in foreign markets.
- **Variety of Toys** - Due to the cultural diversity of India, different varieties or types are also found in the Toys made in India. The concern artisans are experts in making Toys. These Toys can become the center of attraction in the foreign market.

Figure 8: Diagram showing the Revenue in the Toys and games segment in 2023 as well as expected revenue estimation

Data and Diagram Credit – (Statista, n.d.)

INDIAN TOY ECONOMY AND GOVERNMENT POLICIES

The government is making all possible efforts for the development of India's Toy Industry. To discourage imports from abroad and encourage exports, domestic Toy producers are being assisted through various schemes. To encourage foreign investment in the Toy Industry, the government has allowed FDI in this sector through the automatic route and working to strengthen this Industry through various other incentives like the PLI scheme, SFURTI (Scheme of fund for regeneration of traditional Industry), etc., Recently when our country is marching towards self-reliant India, campaigns like Vocal for Local are being promoted for the growth of our domestic industries.

As per article (T, 2021), “Apart from over 700 general compliances, from Companies Act, SEBI Act, FEMA Act to Income Tax and Foreign Trade Act for Factories and MSMEs, there is a need for specific regulation related to safeguarding Indian Toy Industry from unfair and excessive exploitation plus ensuring that the imported Toys meet the international quality requirement. Studies show that about 67% of Toys sold in India fail all safety and standard tests, and about 30% of plastic Toys failed to meet safety standards for acceptable levels of heavy metals and phthalates.”

Several commendable steps have been taken by the government to promote the Indian Toy Industry, some of the following steps are as follows –

- Basic customs duty is to be increased from 20 percent to 60 percent.
- Mandatory sample testing of imported Toys.

- Granting more than 850 BIS licenses to domestic Toy manufacturers.
- Development of Toy clusters to integrate the Toy Industry.
- Organizing various Toy fairs to promote Indian Toys.
- To Attract foreign investment in the Toy Industry, the “Invest India Portal” is launched which is being facilitated through the National Investment Promotion and Facilitation Agency of the Government of India. In this portal, necessary information and a helping mechanism have been provided for investment in this Industry.
- “The Ministry of Micro, Small & Medium Enterprises (MSME) has approved 19 Toy clusters across the country for developing the sector: These include nine in Madhya Pradesh, three in Rajasthan, two in Uttar Pradesh, two in Karnataka, and one each in Andhra Pradesh, Maharashtra, and Tamil Nadu.” (Jacob, 2022)

TOY INDUSTRY AND SELF-RELIANT INDIA

India is a culturally rich country, and the impact of cultural diversity can be seen in Indian Toys as well. Different types of Toys can be seen in many Indian states. Toy exhibitions are also organised at the national level by the government and some private organizations. These exhibitions promote the cultural diversity of the Toys, so that common people can also become familiar with the uniqueness of these Toys. The Indian Toy Industry provides direct and indirect employment to a large number of people. India's low labor cost, skills, and rich natural resources are important factors in achieving a large share of the

global market. Although imports are being made to meet India's Toy needs, the government has taken several steps toward the development and self-reliance of the Indian Toy industry. The efforts made by the government have had a positive impact on the Indian Toy Industry. Unorganised Toy makers are also being encouraged by the government to promote traditional Indian Toys to enter the domestic and international markets. Through the self-reliant India mission, the emphasis of the government is to encourage local producers, in the same sequence, efforts are being made by the government to create a positive environment for the producers of Toys so that the Indian Toy Industry can develop rapidly as the leader in the global Toy market. According to statistics, our exports are increasing rapidly and imports are also decreasing, it is expected that in the future, the Indian Toy Industry will make a significant contribution to the economy.

CHALLENGES FOR THE INDIAN TOY INDUSTRY

Lack of proper infrastructure - Many small enterprises are working in our country to produce Toys in the unorganised sector, due to a lack of adequate infrastructure and technology, these industries are unable to produce at their full capacity.

(Abidi, 2022) has stated in an article that according to Industry experts, small producers are unable to upgrade their machines because high tax is levied on this machinery equipment. Also, recently, when production started in India to meet the demand for electric Toys, small producers are not ready to produce these Toys as there is an import duty of 34 percent on the manufacturing machines of such Toys.

Hike in price of raw materials - Recently it is seen that due to various reasons, plastic prices are increasing rapidly, consequently increasing the cost of production of the Toy manufacturers. Since the prices of Toys are increasing, therefore our Toy industries are also facing problems with the sale of goods in the global market.

(Mancombu, 2020) Describing the rising prices of polymers in the article mentions that plastic manufacturers fear that due to the increase in the prices of polymer products, the country will start importing finished products from China and other countries. Such a situation will adversely affect the industries of the country as well as the self-reliant India mission.

Competition with China – Indian Toys faces competition with Chinese Toys globally. China is a major Toy manufacturer and supplier in the global market. China holds about 75 percent of the world's

Toy market. Where China creates a challenge in front of the Toy industries of other countries by supplying low-priced Toys, on the other hand, many times Chinese Toys do not meet even quality standards. Recently, along with increasing the basic customs duty by the government on Toys imported from China and other countries, Rules like quality testing have been used to encourage domestic industries.

Unskilled Workforce – Even though India is the country with the second largest population in the world, even today there is a shortage of skilled manpower in the country. The Toy Industry is a skill-based Industry and there are advanced machines used to manufacture Toys. Where some Toys are made with the help of machines, on other hand some special types of Toys are also made using hand and this work requires special skills. For example, wooden Toys, Natungram Dolls, Asharikandi Terracotta Toys, etc. According to the Human Development Report of 2020, there is only 1 in 5 laborers are skilled in the country. If the Indian Toys Industry has to expand substantially and increase its share of the global market, then skill development through training programs is an essential task to meet the need for adequate manpower in this Industry.

Un-availability of Proper market- There are many unique and special Toys in the country which are the specialty of our country, for example - Kondapalli Toys of Andhra Pradesh, Thanjavur dolls of Tamil Nadu, Natungram Toys of West Bengal, etc. To improve the condition of the producers of these Toys in the country and to make their products famous, there is a need for such a market (online & offline) that can reach these Toys to consumers all around the world. If these Toys are sufficiently accessible to the people, then people will want to buy them after watching the features and beauty of these Toys. In this way, the economic condition of these Toy producers will be strong and a large number of people will get employment from this work.

Conclusion

Commendable steps are being taken by the Government of India to promote the Indian Toys Industry. The government has done many things for the construction of Toy clusters and to encourage foreign investments. The government is investing in the development of the domestic Toy Industry. Also, the government is working to empower Toy producers through SFURTI (Scheme of Fund for Regeneration of Traditional Industries), Production Link Incentive schemes (P.L.I), etc. Due to the increase in **custom duty** on imported Toys imposed by the government and the requirement of **BIS** certification, the Indian Toy Industry has got an

impetus and they are moving towards growing at the global level. The fast-growing online environment has provided a medium to generate demand for this Industry, due to which a proper platform has been created for the development of this Industry.

There are so many types of Toys in India. for example, clay-made Toys in South India are famous. Channpatna Toys of Karnataka are famous. Gudiya and Dug-Dugi are famous in North India. Many local MSMEs are employed to produce these products. Governments should organize training camps for such unorganised sector Toy makers who do not know about marketing, branding, and advertising so that Toy makers can become aware of this regard and make their businesses more effective. Also, in our country, where concepts like “One District, One Product” are being discussed, a similar campaign can be done with Toys. Where this concept will create demand for local producers, as well as people will become more aware of these products.

Indian Toys Industry is trying to increase its exports globally, where in recent times the Export of Indian Toys has increased in the Middle East and African countries, on the other hand, Toys based on Indian culture are being preferred in the domestic market as well. With the increase in the demand for Toys produced by MSMEs in India they will get sufficient trade and employment will also be created by these sectors. A significant contribution will be made by the Industry of Toys in the self-reliant India mission also the development of the Toy Industry will have a positive impact on the Indian economy.

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